

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 845 State University Free Seat Program

**SPONSOR(S):** Post-Secondary Education & Lifelong Learning Subcommittee, Smith, D. and others

**TIED BILLS:** None **IDEN./SIM. BILLS:** CS/SB 1672

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education & Lifelong Learning Subcommittee	13 Y, 0 N, As CS	Kiner	Kiner
2) Higher Education Appropriations Subcommittee	13 Y, 0 N	Crowley	Smith
3) Education & Employment Committee	18 Y, 0 N	Kiner	Hassell

### SUMMARY ANALYSIS

The bill creates the 'State University Free Seat Program' to lower tuition costs and encourage nontraditional students, veterans, active duty members of the United States Armed Forces, and active drilling members of the Florida National Guard, to enroll in and attend one of Florida's state universities.

The bill provides an eligible student one free online course in an online baccalaureate degree program at a state university. For all other courses in the program, the bill provides the student up to a 25 percent discount on tuition, provided the student remains enrolled in at least one online course during each academic year.

The tuition discount is applicable for up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled. This means that for a 120-credit hour state university baccalaureate degree program, the waiver is applicable for up to 132 credit hours.

Each state university must annually report to the Board of Governors the number and value of waivers granted pursuant to the bill's provisions.

The Board of Governors must adopt regulations to administer the granting of the waiver.

The bill's fiscal impact is negative, but indeterminate.

The bill has an effective date of July 1, 2021.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

##### Florida's Veteran and Military Population

Florida is home to 20 military installations<sup>1</sup>, 65,267 military personnel, and roughly 13,000 Florida National Guard members.<sup>2</sup> Florida also has the nation's third-largest veteran<sup>3</sup> population with roughly 1.5 million veterans.<sup>4</sup>

##### Online Education at State University System Institutions

###### *Statistics & Rankings*

Online education allows individuals with family or work obligations to complete their education and on-campus students to accelerate the completion of their degrees and/or engage in co-curricular activities.<sup>5</sup>

Nationally, Florida ranks second in the number and percentage of students enrolled in distance learning courses.<sup>6</sup>

During 2018-19 (most recent data available), 75 percent of undergraduate students at Florida's state universities took at least one distance learning course.<sup>7</sup> At four institutions, University of Central Florida, University of Florida, University of South Florida, and University of West Florida, at least 80 percent of undergraduate students take one or more distance learning courses.<sup>8</sup> Across the State University System (SUS), eleven percent (36,648) of undergraduate students took distance learning courses exclusively, and a majority (63 percent) of undergraduate students (202,895) in the SUS took both distance learning, classroom, and/or hybrid courses.<sup>9</sup> System-wide, 30 percent of the total undergraduate credit hours were taken in distance learning courses.<sup>10</sup>

During the Fall 2019 term, SUS institutions offered 164 online bachelor's degree programs.<sup>11</sup> Additionally, SUS institutions converted almost 50,000 courses from primarily classroom, hybrid, and primarily distance learning, to courses that could be completed fully at a distance during the Spring 2020 term.<sup>12</sup>

University of Florida Online (UF Online) was created by the 2013 Legislature as an institute for online learning at a preeminent state research university to provide for high quality, fully online baccalaureate

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<sup>1</sup> Enterprise Florida, *Florida's Military Profile*, [https://www.enterpriseflorida.com/wp-content/uploads/Military\\_Install\\_Map.pdf](https://www.enterpriseflorida.com/wp-content/uploads/Military_Install_Map.pdf) (last visited March 3, 2021).

<sup>2</sup> Florida Defense Support Task Force, *Florida Defense Factbook Quick Comparison*, (2020), <https://www.enterpriseflorida.com/wp-content/uploads/FactBook-Quick-Comparison-Flier-2020.pdf> (last visited March 3, 2021).

<sup>3</sup> Section 1.01(14), F.S., defines a "veteran" as a person who served in the active military, naval, or air service and who was discharged or released under honorable conditions, or who later received an upgraded discharge under honorable conditions.

<sup>4</sup> *Supra* at 3.

<sup>5</sup> See The State University System 2019 Annual Report for Online Education, pg. 5.

<sup>6</sup> *Id.* at pg. 9. Referencing United States Department of Education's National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System.

<sup>7</sup> *Id.* at pgs. 4, 10.

<sup>8</sup> *Id.* at pg. 10.

<sup>9</sup> *Id.* at pg. 10.

<sup>10</sup> *Id.* at pg. 13.

<sup>11</sup> *Id.* at pg. 24.

<sup>12</sup> *Id.* at pgs. 4-6.

degree programs at an affordable cost.<sup>13</sup> By 2018-19, strategic development and expansion efforts allowed the program to offer 21 fully online majors and seven minors.<sup>14</sup> More than 2,000 students have graduated from UF Online.<sup>15</sup>

Since launching, UF Online has been nationally recognized as a leader in online education. In 2020, *U.S. News & World Report* ranked UF Online as one of the top five best online bachelor's degree programs in the nation.<sup>16</sup>

Other SUS institutions have received national recognition for their online bachelor's degree programs as well. According to *U.S. News & World Report*, University of Central Florida ranked in the top-15, while Florida Atlantic University, Florida International University, and University of West Florida all ranked in the top-100.<sup>17</sup>

According to *U.S. News & World Report*, two of Florida's state universities were also ranked in the top-20 for best online bachelor's degree programs for veterans, with University of Florida ranking number 2, and University of Central Florida ranking number 12.<sup>18</sup>

### *Student Support & Other Resources*

Florida's state universities offer a variety of support and other resources for students. For example, Florida Agricultural and Mechanical University's (FAMU) library provides 24-hour online service, real-time online chat, and other services for students, including distance learning students.<sup>19</sup> FAMU's distance learning students also have reciprocal borrowing privileges with other SUS and Florida College System institutions.<sup>20</sup> Additionally, University of South Florida provides online academic support services, while Florida International University student success coaches assist online students with their online education, including how to access various resources and engage with the wider Florida International University community.<sup>21</sup>

SUS institutions offer various mental health services for students, including distance learning students as well. For example, Florida State University's Counseling Center offers tele-health and other services and workshops that focus on depression, anxiety, and self-help.<sup>22</sup>

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<sup>13</sup> Section 1001.7065(4), F.S., permits the university to establish a tuition structure for its online institute, not to exceed 75 percent of the tuition rate established by the Legislature.

<sup>14</sup> See *The State University System 2019 Annual Report for Online Education*, pg. 24.

<sup>15</sup> *Id.* at 24.

<sup>16</sup> *Id.* at 24, showing UF Online ranked at number 4 in 2020 and number 5 in 2019. See also, *U.S. News and World Report* 'Ranking of Best Online Bachelor's Programs', ranking University of Florida at number 3. The link may be viewed at: <https://www.usnews.com/education/online-education/bachelors/rankings>. (last visited February 27, 2021).

<sup>17</sup> See *U.S. News and World Report* 'Ranking of Best Online Bachelor's Programs', ranking University of Florida at number 3. The link may be viewed at: <https://www.usnews.com/education/online-education/bachelors/rankings>. (last visited February 27, 2021).

<sup>18</sup> See *The State University System 2019 Annual Report for Online Education*, pg. 25.

<sup>19</sup> *Id.* at pg. 23.

<sup>20</sup> *Id.* at pg. 23.

<sup>21</sup> *Id.* at pg. 23.

<sup>22</sup> *Id.* at pg. 23.

## Tuition Rate

Under Florida law, ‘tuition’ is defined as the basic fee charged to a student for instruction provided by a public postsecondary educational institution in the state.<sup>23</sup> A student who is classified as a “resident for tuition purposes” is a student who qualifies for the in-state tuition rate.<sup>24</sup>

The resident undergraduate tuition rate for the SUS is currently set in statute at \$105.07 per credit hour.<sup>25</sup>

## Tuition Differential

The tuition differential fee, averaging \$42.88 system-wide<sup>26</sup>, allows state universities to promote improvements in the quality of undergraduate education and provide financial aid to undergraduate students who exhibit financial need.<sup>27</sup> Seventy percent of the revenues must be expended for purposes of undergraduate education, such as increasing course offerings, improving graduation rates, decreasing student-faculty ratios and use of adjunct professors, improving efficiency, and reducing the number of students enrolling in excess credit hours.<sup>28</sup> The remaining thirty percent, or an equivalent amount from private sources, is to provide financial aid to undergraduate students exhibiting financial need.<sup>29</sup>

## Fee Exemptions and Fee Waivers

Florida law authorizes school districts that provide workforce education programs, state colleges, and state universities to grant fee exemptions<sup>30</sup> and fee waivers<sup>31</sup> to qualified students that meet specified criteria. A number of fee exemptions and fee waivers are permissive<sup>32</sup> while others are mandatory.<sup>33</sup> There is a limitation on the number of permissive fee waivers a school district providing workforce education programs or a state college may grant;<sup>34</sup> however, this limit does not apply to mandatory fee waivers.

## **Effect of Proposed Changes**

The bill creates the ‘State University Free Seat Program’ to encourage nontraditional students, veterans, active duty members of the United States Armed Forces, and active drilling members of the Florida National Guard, to enroll in and attend one of Florida’s state universities.

To be eligible for the State University Free Seat Program, a student must be a resident for tuition purposes, enrolled in an online baccalaureate degree program, and meet one of the following additional eligibility requirements:

- Be a veteran;
- Be an active duty member of the United States Armed Forces;

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<sup>23</sup> Section 1009.01(1), F.S. Additionally, the definition states that “[a] charge for any other purpose shall not be included within this fee.”

<sup>24</sup> Section 1009.21(1)(g), F.S.

<sup>25</sup> Section 1009.24(4)(a), F.S.

<sup>26</sup> <https://www.flbog.edu/wp-content/uploads/2020-2021-SUS-Tuition-and-Fees-Report-1.pdf>

<sup>27</sup> Section 1009.24(16), F.S.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> Section 1009.25, F.S.

<sup>31</sup> Section 1009.26, F.S.

<sup>32</sup> Section 1009.25(2), F.S. (authorizing each state college to grant additional fee exemptions “up to 54 full-time equivalent students or 1 percent of [an] institution’s total full-time equivalent enrollment, whichever is greater at each institution”); section 1009.26(1)-(4), (6), (9), (10), (11), F.S.

<sup>33</sup> Sections 1009.25(1)(a)-(g) and 1009.26(5), (7), (8), F.S.

<sup>34</sup> Section 1009.26(1), F.S.

- Be an active drilling member of the Florida National Guard; or
- Have not been enrolled in a postsecondary institution for more than five years.

The bill provides that an eligible student is exempt from the payment of tuition and fees, including lab fees, for one 'free' online course in an online baccalaureate degree program at a state university. For all other program courses, the student is provided up to a 25 percent discount on tuition, including any tuition differential fee, provided the student remains enrolled in at least one online course during each academic year.

The tuition discount is applicable for up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled. This means that for a 120-credit hour state university baccalaureate degree program, the waiver is applicable for up to 132 credit hours.

Each state university must annually report to the Board of Governors the number and value of waivers granted pursuant to the bill's provisions.

The Board of Governors must adopt regulations to administer the granting of the waiver.

#### B. SECTION DIRECTORY:

**Section 1.** Creates s. 1009.266, F.S., creating the State University Free Seat Program.

**Section 2.** Provides an effective date of July 1, 2021.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

The bill has a negative, but indeterminate impact on state university revenues. See *Fiscal Comments*.

##### 2. Expenditures:

None.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

None.

##### 2. Expenditures:

None.

#### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill provides an eligible student one free online course in an online baccalaureate degree program at a state university. For all other courses in the program, the bill provides the student up to a 25 percent discount on tuition, provided the student remains enrolled in at least one online course during each academic year.

#### D. FISCAL COMMENTS:

The bill has an indeterminate fiscal impact due to the unknown number of students that will qualify for, and take advantage of, the 'State University Free Seat Program'. However, for each student that

participates in the program, a state university will not receive the tuition and fees for one online course, plus up to \$36.99 per credit hour, which represents 25 percent of the SUS resident undergraduate tuition rate of \$105.07 per credit hour, plus up to 25 percent of the tuition differential fee per credit hour, with the system-wide average being \$42.88 per credit hour. The fiscal impact would be recurring while the student participates in the program, up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

The bill does not appear to affect county or municipal governments.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

The Board of Governors must adopt regulations to administer the granting of the waiver.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 3, 2021, the Post-Secondary Education & Lifelong Learning Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The adopted strike-all amendment:

- Expands eligibility for the State University Free Seat Program to include veterans, active duty members of the United States Armed Forces, and active drilling members of the Florida National Guard;
- Clarifies that the tuition waiver and discount are only applicable for online baccalaureate degree program courses.

The bill analysis is drafted to CS/HB 845.